GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:66
ANSWERED ON:04.03.2005
RECOMMENDATIONS OF EXPENDITURE REFORMS COMMITTEE
Agarwal Shri Dhirendra;Vasava Shri Mansukhbhai D.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have examined the recommendations made by the Committee on Expenditure Reforms;

(b) if so, the recommendations which have not been accepted alongwith the reasons therefor;

(c) whether the Government has not been able to check the expenditure by high ranking officers on unproductive work; and

(d) if so, the reaction of the Government thereto alongwith the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS(a) TO (d) OF LOK SABHA STARRED QUESTION NO. 66 FOR 4.03.2005.

(a) to (d): the government had set up the expenditure reforms commission (ERC) to review the whole gamut of government expenditure. The reports of the ERC covered 36 ministeries/departments and 4 specific issues, i.e., food subsidy, fertilizer subsidy, autonomous institutions and optimization of staff strength. The recommendations of the ERC excepting those relationg to food subsidy have been broadly accepted by the governemnt. In so far as recommendations on food subsidy and related matters are concerned, ERC`s suggestions have provided valuable inputs for formulationg policies on subsidy, procurement, foodgrains trade, buffer stock, etc.

It has been the constant endeavour of thr government to curtai; non-developmental expenditure. Accordingly, ministry of finance has issued comprehensive austerity instructions on 29.09.2004. These measures, inter-alia, include 10% cut for budgetary allocation for non-plan, non-salary expenditure.